

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**IN RE AMBAC FINANCIAL GROUP, INC.  
SECURITIES LITIGATION**  
-----X

**Civil Action No. 08-00411-NRB**

**AFFIDAVIT OF ANTONIO  
YANEZ, JR.**

STATE OF NEW YORK     )  
                                      ) ss.:  
COUNTY OF NEW YORK    )

ANTONIO YANEZ, JR., being duly sworn, deposes and says:

1. I am a member of the bar of this Court and a member of the firm of Willkie Farr & Gallagher LLP, attorneys for defendant KPMG, LLP ("KPMG"). I make this affidavit in support of KPMG's motion to dismiss plaintiffs' Consolidated Amended Class Action Complaint.

2. Attached hereto as Exhibit 1 is a copy of the Consolidated Amended Class Action Complaint in this case.

3. Attached hereto as Exhibit 2 is a copy of Ambac Financial Group Inc.'s ("Ambac") Form 10-K for its fiscal year ended December 31, 2007.

4. Attached hereto as Exhibit 3 is a copy of a December 12, 2007 Wall Street Journal article entitled, *The Roots of the Mortgage Crisis*.

5. Attached hereto as Exhibit 4 is a copy of excerpted pages from Merrill Lynch & Co., Inc.'s October 24, 2007 Form 8-K.

6. Attached hereto as Exhibit 5 is a copy of Merrill Lynch & Co., Inc.'s January 17, 2008 press release.

7. Attached hereto as Exhibit 6 is a copy of excerpted pages from Citigroup Inc.'s Form 10-K for its fiscal year ended December 31, 2007.

8. Attached hereto as Exhibit 7 is a copy of excerpted pages from Morgan Stanley's Form 10-K for its fiscal year ended November 30, 2007.

9. Attached hereto as Exhibit 8 is a copy of excerpted pages from The Bear Stearns Companies Inc.'s Form 10-K for its fiscal year ended November 30, 2007.

10. Attached hereto as Exhibit 9 is a copy of an April 21, 2008 Business Insurance article entitled, *Trends: Subprime Fallout Could Cost Billions*.

11. Attached hereto as Exhibit 10 is a copy of a transcript of Ambac's November 7, 2007 conference call with analysts.

12. Attached hereto as Exhibit 11 is a copy of a transcript of Ambac's October 24, 2007 conference call with analysts.

13. Attached hereto as Exhibit 12 is a copy of Ambac's December 21, 2007 press release.

14. Attached hereto as Exhibit 13 is a copy of Ambac's January 16, 2008 press release.

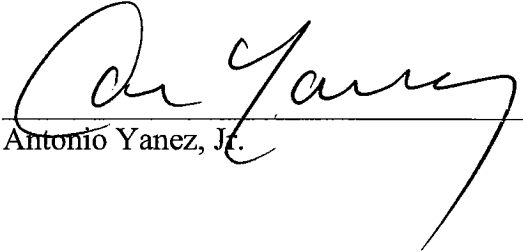
15. Attached hereto as Exhibit 14 is a copy of a transcript of Ambac's January 22, 2008 conference call with analysts.

16. Attached hereto as Exhibit 15 is a copy of Statement of Financial Accounting Standard, No. 133 (without appendices).

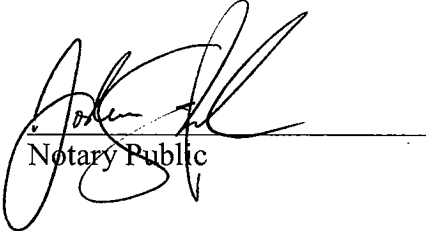
17. Attached hereto as Exhibit 16 is a copy of Statement of Financial Accounting Standard, No. 5 (without appendices).

18. Attached hereto as Exhibit 17 is a copy of a May 1, 2008 Credit article entitled,  
*The ABX Index: A Pricing Conundrum.*

Dated: New York, New York  
October 20, 2008

  
Antonio Yanez, Jr.

Sworn to before me this  
20th day of October 2008

  
Notary Public

**JOSHUA SEAN PARKER**  
Notary Public, State of New York  
No. 01946172049  
Qualified in New York County  
Commission Expires Aug. 8, 2011

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